



Consent Orders for Procurement & Other Quality Assurance Issues

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Introduction

Subject: Procurement of Safety Class Piping for Tank Farm Facility and Other Quality Assurance Issues

Contractors: CH2M-Hill and FSS

DOE Office: Office of River Protection

DOE Coordinator: John Clark, Office of River Protection
Brian Fiscus, Richland Area Office

EH-10 Lead: Sharon Hurley

Background

- **CH2M-Hill is prime contractor for Office of River Protection.**
- **CH2M-Hill acquired contract for piping from Lockheed Martin Hanford.**
- **FFS was a subcontractor for CH2M-Hill.**
- **FFS provided services at Tank Farm Facility.**

Background (Continued)

Precursors to Consent Orders

- **FFS was approved as a subcontractor for the Hanford Site by Fluor Hanford, Inc.**
- **FFS contracted with Perma Pipe to fabricate Safety class piping for use at the Tank Farm Facility.**
- **FFS also provides A/E and construction services to Fluor Hanford Inc., and other DOE contractors at the Hanford site.**

Description of Problem/Occurrence

Precursors to Consent Orders

- **FFS issued purchase order to Perma Pipe to fabricate 127 linear feet of safety class piping.**
- **Piping was to be used to transfer nuclear waste.**
- **Piping was delivered to FFS.**

Description of Problem/Occurrence

Precursors to Consent Orders (Continued)

- **FFS completed receipt inspection and accepted piping for use.**
- **FFS pipefitters discovered problems with piping just prior to installation.**
- **CH2M-Hill reported the problem into the NTS.**
- **CH2M-Hill requested that Fluor Hanford, Inc., perform early supplier audit of FFS.**

Description of Problem/Occurrence

Precursors to Consent Orders (Continued)

- **Supplier audit identified 11 findings related to quality assurance requirements, such as--**
 - **Deficiencies in work processes;**
 - **Deficiencies in control of purchased items and services;**
 - **Deficiencies in procurement.**
- **Fluor Hanford, Inc., reported the audit findings and the FFS problems into the NTS.**

How was Problem Identified?

How was DOE Notified?

CH2M-Hill

- ≈ Pipefitters discovered problems with the piping from Perma Pipe.**
- ≈ CH2M-Hill and Fluor Hanford, Inc., conducted investigations and identified problems with Perma Pipe acquisition.**
- ≈ CH2M-Hill reported problems into the NTS.**

How was Problem Identified?

How was DOE Notified?

FFS

An audit by Fluor Hanford, Inc., identified programmatic deficiencies in FFS' quality assurance program.

Fluor Hanford, Inc. reported the quality deficiencies into the NTS

Key Factors in Enforcement Decision

- **Safety Significance**
 - **High – potential significant consequences to the public had the piping been installed**
- **Identification**
 - **Problems with the piping identified by the contractor**
 - **Additional problems with FFS's quality program identified Contractor-initiated audit**
- **Corrective actions**
 - **Timely and comprehensive**

Key Factors in Enforcement Decision

- **Prior history of similar violations**
 - **None with CH2M-Hill**
 - **Prior quality assurance problems at Hanford**
- **Factors in decision to issue consent orders**
 - **Quality problems self-identified**
 - **Investigation by contractors comprehensive and timely**
 - **Corrective actions comprehensive**

Enforcement Outcome

- **FFS**
 - **Consent Order**
 - **\$100,000 Payment**
 - **Payment reinforces that --**
 - **FFS is responsible for implementation of adequate quality assurance to prevent recurrence.**
- **CH2M-HILL**
 - **Consent Order**
 - **\$50,000 Payment**
 - **Payment reinforces that CH2M Hill is responsible--**
 - **To adequately monitor subcontractors;**
 - **To keep commitments to improve quality assurance program to preclude recurrence of problems.**